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equity investment in the CPA sector thus far.

Jason Bramwell • Feb. 05, 2024



Baker Tilly said on Monday it has received a “significant investment” from private equity firms Hellman & Friedman and Valeas Capital Partners in what the top 10 accounting firm says is the largest [private equity investment in the CPA sector](#) thus far.

Financial terms of the deal, which is expected to close in early June, weren't disclosed. The [Financial Times reported](#) that H&F and Valeas would take an equity stake of about \$1 billion for just over 50% of the Chicago-based accounting and advisory firm, with more than \$900 million coming from H&F, according to a person familiar with the deal. There will also be an undisclosed amount of debt

financing provided by a group of private lenders, including Blackstone Credit, HPS

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FT reported that the money will predominantly be used to buy out retirement obligations to former partners and return capital to its 600 current partners, as well as to recapitalize the balance sheet and build a war chest for mergers and acquisitions.

“This investment is a huge step for Baker Tilly, and it will certainly put the firm in a strong position to lead the consolidation of the public accounting industry,” Allan Koltin, CEO of Koltin Consulting Group, who provided counsel to Baker Tilly and H&F throughout the process, said in a statement to *CPA Practice Advisor*.



As part of this transaction, the firm said it will be restructured as two entities: Baker Tilly Advisory Group will provide the firm's business advisory, tax, and other services with Jeff Ferro (pictured, left) continuing in his role as CEO. Baker Tilly US will provide the firm's attest services, with Jere Shawver, managing partner of risk and assurance, stepping into the new role of CEO. Baker Tilly US will operate as a separate legal entity pursuant to regulatory and independence requirements. Following the restructuring, both firms will remain partnerships, with all partners holding equity alongside H&F and Valeas in Baker Tilly Advisory Group.

“We are extremely proud to join forces with H&F and Valeas—blue-chip and growth-oriented private equity investors—who support our vision, recognize the value we've already created, and see our vast future potential,” Ferro said in a statement. “With

this transaction, the firm will be in an even stronger position to grow and invest in

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Baker Tilly's partners and senior leadership to bolster its capabilities, expand its footprint, and, together, help build the country's preeminent mid-market advisory CPA firm."

Ed Woiteshek, co-founder and managing partner at Valeas, added, "As a top global brand in accounting, tax and advisory with a strong track record of value creation and growth, Baker Tilly is uniquely positioned to lead the transformation of the industry. We look forward to working with Baker Tilly's leaders to further the firm's impressive growth trajectory in the years ahead."

Baker Tilly engaged William Blair & Company as its financial advisor and Foley & Lardner as its legal counsel on this transaction. Simpson Thacher & Bartlett and Vedder Price served as legal advisors to H&F and Ropes & Gray advised Valeas, according to the news release.

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